

SUBJECT: Education administration, programs, and finance

COMMITTEE: Public Education: committee substitute recommended

VOTE: 8 ayes--Glossbrenner, Blanton, C. Evans, Fox, Grisham, Heflin, Ragsdale, Haley  
1 nay--Hammond  
0 present, not voting

OTHER COMMITTEE ACTION: The committee voted on several significant amendments to HB 72, including:

- The Blanton amendment to strike the provision for appointing, then electing a 12-member State Board of Education:  
5 ayes--Glossbrenner, Blanton, Fox, Grisham, Heflin  
3 nays--C. Evans, Hammond, Ragsdale  
1 present, not voting--Haley
- The Blanton amendment to require a teacher-competency test for already-employed teachers:  
5 ayes--Blanton, C. Evans, Fox, Hammond, Heflin  
3 nays--Glossbrenner, Grisham, Ragsdale  
1 present, not voting--Haley
- The Heflin amendment to make prekindergarten a local school-district option instead of a requirement:  
5 ayes--Blanton, C. Evans, Fox, Grisham, Heflin  
3 nays--Glossbrenner, Hammond, Ragsdale  
1 present, not voting--Haley
- The Blanton amendments to keep the current salary structure, raise teacher pay, and retain the personnel unit as the basis for school finance:  
5 ayes--Glossbrenner, Blanton, Fox, Grisham, Heflin  
2 nays--Hammond, Ragsdale  
2 present, not voting--Haley, C. Evans

BACKGROUND: See House Study Group Special Legislative Report No. 103, The June 1984 Special Session: A Preview, June 4, 1984.

SPECIAL NOTE: Because of the complexity of the bill, this analysis is presented in an unusual format. The report analyzes the bill under four headings--organization and management; teachers; finance; and educational quality. Committee changes are digested along with provisions of the original bill.

SPECIAL  
NOTE:  
(continued)

Arguments for and against the bill are also grouped under the four headings. The SUPPORTERS SAY arguments are those in favor of the original bill. The OPPONENTS SAY arguments include those in favor of the committee changes.

The digest and arguments do not refer to the proposed Haley floor substitute per se, but it is substantially identical to the original HB 72. Where the floor substitute differs materially from the original bill, the differences are described in the NOTES section at the end of this report.

#### ORGANIZATION AND MANAGEMENT

DIGEST:

The organization and management sections of HB 72, as originally introduced, would replace the current State Board of Education elected from the 27 congressional districts with a transitional state board appointed from 12 districts. A Legislative Education Board consisting of the Lieutenant Governor, the House Speaker, and members of the House and Senate would oversee state education policy and would submit the names of three residents of each district to the Governor, who would appoint one to the transitional board. After four years, state board members would be elected from the 12 districts. The election would be held on the first Saturday in April of even-numbered years; all school districts would have to hold their school-board elections at the same time. State board members would be elected by plurality vote. Board terms would be four years rather than six. (For more information on this plan and the boundaries of the 12 proposed districts, see HSG Daily Floor Report, June 18, 1984.)

The State Board of Education would be the primary policy-making body for public education. It would establish four-year plans for meeting system goals and evaluate and report on progress made toward those goals before each regular legislative session. The state board would require each district, as part of its annual financial report, to break down costs by campus and program and include management, cost-accounting, and financial information.

DIGEST: Rulemaking authority currently assigned to the Central  
(continued) Education Agency or the commissioner of education  
would be transferred to the state board.

The commissioner of education would serve at the will of the board rather than for a four-year term. Senate confirmation of the board's appointee would no longer be required. The commissioner would no longer need to be a five-year resident of the state or meet other qualifications such as being eligible for the highest school administrator's certificate or holding a master's degree.

The state board would no longer review decisions of the commissioner on appeals of local school-board actions. If the commissioner refused to reinstate a suspended or canceled teacher's certificate or upheld or overruled a teacher firing, the appeal would go to the district court in Travis County; other appeals would go to the district court where the school district was located.

The commissioner could no longer review or reject books submitted for adoption by the state textbook-selection committee; the state board would have that authority exclusively. Textbooks would be adopted on a maximum six-year cycle.

The state board would be required to set standards for accreditation of school districts, encompassing goals and objectives, statutory compliance, test scores, effectiveness of principals, fulfillment of curriculum requirements, special programs, correlation of test scores and grades, teacher training, paperwork reduction, and board-member training. The state board would have to revoke accreditation, and could withhold state funds, from a district that failed to maintain minimum state standards. Districts would be investigated at least every three years to determine whether they satisfy state standards. Principals, teachers, and parents would be consulted in an accreditation investigation. The local school board would receive advance notice of an investigation. If a district were deficient the commissioner would take action in stages: (1) confidential notice to the local board and superintendent; (2) public notice; (3) appointment of an agency monitor to report on local activities; (4) appointment of a master to oversee local operations. If the district lost accreditation, a master would have to be appointed. A master would approve or disapprove any action by the local board or superintendent.

DIGEST:  
(continued)

The state board would adopt a uniform school calendar for every district, including holidays. Students would not be required to begin classes before Sept. 1.

Local school boards would publish an annual performance report based on uniform standards, including financial information, trends of test scores, attendance, and class size.

The state board would accredit courses on the duties of school-board members and establish statewide standards for such courses. The board could provide for such training courses to be offered by regional education-service centers.

Penalties would be provided for frivolous civil lawsuits filed under state law against school districts or school employees and officers. The defendants in such cases would be entitled to an award of costs and reasonable attorney's fees.

The state board would adopt a model administrative structure for local districts, particularly to encourage consolidation of districts too small to operate efficiently.

Local districts would be required to draw attendance zones to encourage "feeder" schools, enabling all those attending the same elementary school to go on to the same junior and senior high schools. A feeder school's student population could be divided if necessary to comply with federal desegregation requirements.

School districts could use lease-purchase agreements for buildings and equipment.

The Central Education Agency could not maintain offices outside of Austin, meaning that existing vocational education area offices would have to be closed.

#### Committee Version

The committee deleted the provisions of the original that would replace the current elected State Board of Education, standardize the election day of local school districts, and create a Legislative Education Board.

DIGEST:  
(continued)

The committee restored most of the current qualifications for the commissioner of education and restored appointment of the commissioner for a four-year term. But the committee did not restore the requirement that the commissioner be a five-year resident of Texas.

The committee amended the provision for district financial reports to stipulate that they contain information not already reported in other forms.

Regarding the proposed six-year textbook-adoption cycle, the committee made an exception for subjects undergoing so little change that new textbooks would be unnecessary.

The committee would grant a master the authority to approve or disapprove any action by a local board or superintendent only after a loss of accreditation.

The committee deleted school-board member training from the requirements for district accreditation. The committee would require local board members to receive training and would require the district to inform the public, before the election filing date, of any training received by school-board candidates. The state board would appoint a 15-member advisory committee, including at least five current local-board members, to set statewide standards for such training.

The committee deleted the provisions requiring a uniform school calendar, administrative models for school districts, and "feeder" school attendance zones. It also deleted the ban on maintaining Texas Education Agency offices outside of Austin.

SUPPORTERS  
SAY:

The 27-member State Board of Education is too cumbersome and unresponsive to manage the far-reaching reforms proposed in this bill. Board members have only reacted to problems belatedly instead of taking the initiative to improve the multibillion-dollar state education system over which they preside.

Few would dispute that a smaller, streamlined state board is needed. Yet HB 72 would avoid an abrupt, disruptive shift to a smaller, elected board. In consultation with legislative leaders, the Governor would appoint the best managers in the state to an interim board in order to get the new education system off to a strong start. After this transitional period, the voters would again choose the board members, with a new focus of public attention on electing the best possible members in order to sustain the momentum of reform.

SUPPORTERS  
SAY:  
(continued)

The current organization of the state education system diffuses too widely the responsibility for setting educational policy. HB 72 would clarify that the state board alone sets policy, which the commissioner as chief executive officer carries out. Like most other state agencies, the board should be free to hire and fire this chief executive unimpeded by outmoded restrictions.

To increase accountability, identify problems as they emerge, and ensure a more responsive system, uniform standards must be established for the evaluation and comparison of performance district by district. Wide disparities in district performance and administrative efficiency cannot be tolerated any more than disparities in school funding. The new accreditation criteria would help prevent districts from falling below minimum standards. In extreme cases, the state should assume supervision of a local district through appointment of a master in order to protect the local students and taxpayers. But in order to avoid such problems, school trustees would be encouraged to participate in special training programs. Many trustees lack in-depth familiarity with subjects such as school finance.

Currently school calendars and holiday schedules of the various districts are a mishmash. Interdistrict competitions are hindered when scheduled events fall in the middle of the semester in some districts and during final exams in others. HB 72 would require synchronization of school schedules in order to introduce statewide consistency.

Some districts are too small to operate efficiently and should be encouraged to consolidate. Administrative models established by the state board could provide a uniform standard for such districts to use in deciding how best to improve their administrative performance.

Textbooks currently are not replaced for eight years, forcing students to use material that is far out of date. A maximum six-year textbook-adoption cycle would help ensure that students have books reflecting current knowledge.

OPPONENTS  
SAY:

Election of State Board of Education members remains the best means of guaranteeing an accountable board. Unseating the current board elected by the people would be a drastic and unnecessary step. Responsibility for directing the state educational system has been fragmented

OPPONENTS  
SAY:  
(continued)

until relatively recently, so those ready to junk the democratically elected board should look for another scapegoat. The board has effectively carried out tough assignments in recent years, such as setting standards for curriculum and for teacher-competency testing. The Republican-primary defeat of board chair Joe Kelly Butler in May demonstrated that voters do pay attention to the board and can make changes if they so choose.

Cutting the number of board members by half or more has superficial appeal but would make little real difference in the way the board works. Like the Legislature, the board does much of its substantive work in committees. Reducing the number of board districts would only make it more difficult to ensure minority representation; each district would have to cover a much larger territory, diluting concentrations of minority voters. A shift from a large elected body to a smaller board that is first appointed, then elected, probably would not pass muster with the U.S. Department of Justice under federal Voting Rights Act review. Electing the board in April would cause additional problems--for example, in Houston, school-board elections are held in conjunction with city elections in November, so shifting those elections to April could have an adverse impact on minority-voter turnout.

The commissioner of education should be insulated from the politics of the board by having a set term with removal only for cause. The Legislature can also make certain that the commissioner is a person of the highest caliber by retaining current qualifications in the law.

Although local school districts clearly need to remain subject to state standards and accountability, the Legislature should not authorize the Texas Education Agency to place expensive new paperwork burdens on the districts merely for the sake of centralization and uniformity. The voters in each district make policy by electing trustees to respond to local needs; those trustees should have the flexibility to do their job. Local circumstances vary widely in a state as diverse as Texas, so the local districts should, within certain limits, be allowed to set their own school calendar. For the same reason, it would be a waste of time and money to formulate administrative models adaptable to every school district in the state. And local districts

OPPONENTS  
SAY:  
(continued)

have enough problems already with setting school attendance zones; they should not be hindered further by state law. Local school trustees should be encouraged to attend training sessions, but a district should not have its accreditation threatened if a trustee refuses to participate. Informing local voters of a trustee's failure to participate should be sufficient.

Giving a master veto power over local district decisions prior to loss of accreditation would frustrate the state's purpose: The district would have a greater incentive to correct deficiencies if it could avoid losing its authority to a master.

Vocational-education area offices should not be closed. These local offices provide necessary services. Counting in the cost of relocating staff and higher travel expenses from Austin to do the same work already done in the field, no savings would be realized.

OTHER  
OPPONENTS  
SAY:

Since most appeals from actions by local school boards are eventually heard in district court anyway after being heard by the commissioner of education and the state board, both the commissioner and the state board should be removed from the process in order to save time and expense.



TEACHERS

DIGEST;

Teacher career ladder. The bill would require that all teachers be assigned by their school districts to one of four levels of a new career ladder, for the purpose of determining salary. Assignment would have to be based on performance, teaching experience, job-related education, and advanced academic training.

Appraisals. The bill would require the State Board of Education, after soliciting the advice of teachers, to establish a statewide method and uniform standards for appraising classroom performance as part of the process of assigning career-ladder levels to teachers. The criteria for appraising performance would have to be based on observable, job-related behavior, including discipline management. Teachers' self-evaluations would be included in the appraisal process. Teachers whose duties include supervising extracurricular activities could be appraised only on the basis of classroom-teaching performance.

Teachers would be appraised twice each academic year. Two appraisers would be required--the teacher's supervisor and a classroom teacher knowledgeable in the teacher's subject area. Districts could allow more than two appraisers to take part. The state board would make rules governing exceptions for districts where employee shortages make the two-appraiser rule impractical. The state board would also be required to set up uniform statewide training and certification programs for appraisers.

The bill would authorize local districts to determine the weight to give the criteria in the appraisal process.

Appraisers would rate teachers using four performance categories: below expectations, satisfactory, exceeding expectations, and clearly outstanding.

Career-ladder level requirements. Level-one entry would require certification by the State Board of Education.

The bill would allow two options for level-two entry. A teacher with a bachelor's degree would need three years of experience teaching at level one and nine semester hours of higher-education courses (or 135 actual hours of advanced academic training) to reach

DIGEST:  
(continued)

level two. A teacher with a master's degree would need two years of teaching at level one and six semester hours of course work (or 90 actual hours of training).

Beyond level two, faster advancement would be awarded for better job-performance appraisals. The degree held would not affect level-three or level-four entry. (All options for levels three and four would require performance ratings of satisfactory or higher for all years.)

For level-three entry, a teacher who earned exceeding-expectations ratings for three of the preceding six years would need six years at level two and nine semester hours of course work (or 135 hours of training). A teacher who earned clearly-outstanding ratings in two of the preceding three years would need three years at level two and three semester hours of course work (or 45 hours of training).

In the career ladder, those reaching level four would be designated as master teachers. They would have special duties, including supervising student teachers, acting as team leaders or department chairs, assessing level-four candidates, or conducting advanced academic training.

For level-four entry, teachers would have to pass a master-teacher examination, including oral and written tests and other assessments, to be developed by the state board with the advice of teachers. A teacher with clearly-outstanding ratings two out of the previous three years would also need six years at level three and six semester hours of course work (or 90 hours of training). A teacher with clearly outstanding ratings for three consecutive years would need three years at level three and three semester hours of course work (or 45 hours of training).

Level-four maintenance would require teachers to have taught in the classroom at least 60 percent of the school day for the three preceding years and to perform at least two master-teacher duties every three years. A teacher maintaining clearly-outstanding ratings each year would not need more training or course work. A teacher with clearly-outstanding ratings two out of each three years would need three semester hours of course work (or 45 hours of training).

DIGEST:  
(continued)

Course work and academic training. Local districts would have to authorize courses and training programs for teachers, approving only those related to a teacher's subject area and teaching duties. Training in classroom management would be acceptable. Course work and training could be substituted for each other, with one semester hour of course work equaling 15 hours of academic training.

Level revocation. Master teachers not meeting maintenance requirements would be reassigned to level three. Teachers at level three who for two consecutive years did not earn ratings better than satisfactory would be reassigned to level two. Teachers at level two or three rated below expectations would be reassigned to level one. Any teacher reassigned to a lower level could requalify for higher levels by earning the required performance ratings.

If a teacher was reassigned involuntarily to another grade or subject outside his specialty because of a shortage of teachers, for the first three years thereafter the district could not move the teacher to a lower career-ladder level because of below-expectations ratings.

Level-assignment appeal and transferability between districts. The bill specifies that assignment to a career-ladder level by the district would be final and could not be appealed. Level assignment would not be the equivalent of tenure or a grant of any property right. Level assignment would not necessarily transfer with a teacher who took a job in another district, although the second district could use evaluation results obtained by the teacher's previous employer.

Salaries. The bill would replace the current state salary-grade system with a new 11-step salary schedule for teachers. The bill would place each teacher at the lowest step that would give the teacher a raise of at least \$1,700 per year over 1983-84 salary levels. Beginning with the 1984-85 school year, teachers would advance one step per year to achieve the following annual minimum salaries:

step 0:	\$15,200	step 6:	\$22,040
step 1:	\$16,340	step 7:	\$23,180
step 2:	\$17,480	step 8:	\$24,320
step 3:	\$18,620	step 9:	\$25,460
step 4:	\$19,760	Step 10:	\$26,600
step 5:	\$20,900		

DIGEST:  
(continued)

Teachers on levels two, three and four of the career ladder would receive state-funded career-ladder supplements. Local school districts would be required to expend at least 50 percent of funds from a special Education Improvement and Career Ladder Allotment for these supplements. Each district would decide the amount of state-funded career-ladder supplements to award to teachers at different levels.

Qualifications and training for administrators. HB 72 would define the roles, necessary qualifications, training, and duties of superintendents and other administrators. The bill would require that local district qualifications for the posts of superintendent and principal be flexible enough to allow an outstanding educator to qualify.

Alternative certification and noncertified teachers. The bill would allow certification for teachers (in subject areas in which the state board recognizes a critical shortage) who have not graduated from approved teacher-education programs. Candidates would have to pass all generally required skills tests, perform a one-year internship in a public school, and take training in teaching methods and classroom management. The one-year internship would count as a year of experience for career-ladder assignments.

The bill would also authorize and encourage districts to recruit noncertified professionals with college degrees to teach secondary math, science, computer science, and other technological subjects. Noncertified professionals would be limited to three classes per day, and their pay would be proportionally smaller than a full-time teacher's. They would not be eligible for benefits, although, like certified teachers, they would be protected from civil liability in performing their duties.

Local boards could not displace certified teachers in hiring noncertified teachers, and they could not hire noncertified teachers when qualified certified teachers had applied for the same positions. Local boards would have to submit a plan for employing noncertified teachers to the commissioner of education, who would approve or reject it within 30 days.

DIGEST:  
(continued)

Preparation time and minimum teaching duties. The bill would require that all teachers teach at least four hours of every teaching day. It also specifies that the teacher's minimum daily 45-minute period for preparation and planning could also be used for conferences with parents and for reviewing student homework. Teachers could not be required to take part in any other activities during this time.

Teacher-education program standards and sanctions. The bill would authorize the commissioner and State Board of Education to warn, place on probation, and withdraw accreditation from a program that does not meet accreditation standards within a reasonable time. Students admitted to a program before accreditation was revoked would not be disqualified from certification. The bill would require teacher-education program administrators to report to the state board annually on program performance measures such as achievement-test scores of enrolled students and number of program graduates working in public schools.

Financial aid to qualified candidate teachers. The bill would authorize the Coordinating Board of Texas Colleges and Universities to cancel repayment of loans made from the Texas Opportunity Plan Fund to qualified college students who earn teaching certificates from approved programs and who teach at least four years in areas designated by the state board as critically short of teachers.

The bill would also create a new Future Teacher Loan Fund, a revolving fund to be administered by the Coordinating Board and funded by a proposed special legislative appropriation. The bill would authorize loans from the fund to financially needy students who maintain a 3.0 grade-point average on a 4.0 scale while in an approved teacher-education program.

The bill would authorize the Coordinating Board to cancel repayment if the borrower earns a certificate and teaches for four years in a state-board-designated teacher-shortage area. Repayment of the loan would have to start immediately if the borrower left teaching within four years. The Attorney General or any county or district attorney could sue in case of default on loan payments.

DIGEST:  
(continued)

The Coordinating Board would be required to report to the Governor annually on the use of loan funds and the effectiveness of the loan program.

Private-donor research fund. The bill would create a new Private Donor Research Fund to encourage private donations to support research and development in teacher education and teaching. The Legislature could match private donations with biennial appropriations, up to a limit of \$5 million. The State Board of Education would administer the fund, solicit federal funding, and distribute grants from the fund among teacher-education programs and school districts.

Committee Version

Competency exam. The committee version of the bill would direct the state board, with the advice of teachers and administrators, to develop a comprehensive examination for already-employed teachers and school administrators. The exam would test basic skills and subject-area knowledge appropriate for certification of primary and secondary teachers. For administrators the exam would test administrative skills and knowledge in subjects. Examinees could participate in board-developed preparation (including remedial aid) for the exam and could take it more than once. The state board would define satisfactory performance on the exam and could limit the number of times it could be taken. To continue teaching (this section does not mention administrators), examinees would have to pass the exam by June 30, 1986, unless allowed by the state board to stay on the job due to emergency need. A teacher could not work more than one school year under a certificate of emergency need.

The committee would authorize districts to release from further employment or place on probationary-contract employment any person who failed by June 30, 1986, to take or to pass the teacher-competency examination.

Salaries. The committee version also changes the teacher-salary provisions of the original bill. The committee version retains current law (repealed by the original bill) assigning school personnel to one of 18 pay grades (and providing a personnel-unit value for employees at each level). The original bill requires

DIGEST:  
(continued)

that in the 1984-85 school year each teacher be placed at the lowest salary step that would provide a minimum \$1,700 per year raise; the committee version authorizes the \$1,700 minimum raise for pay grades seven (teachers) through 18 (superintendents of districts with more than 50,000 pupils). Teachers would still be guaranteed a minimum starting salary of \$15,200, as in the original bill, with annual step increases of \$1,140 up to a maximum of ten years.

The committee bill authorizes local school districts to pay specified supplements for career-ladder advancement. The annual supplement above the state minimum salary would be \$2,000 for level two, \$4,000 for level three, and \$6,000 for level four. If the district pays more than the state minimum, teachers would be entitled to the career-ladder supplement in addition to the amount otherwise paid by the district in local supplements. As in the original bill, districts would have to spend at least 50 percent of their special allotment on career-ladder supplements. Use of the allotment to supplement the salary of employees for directing cocurricular or extracurricular activities would be prohibited.

Appraisals. The committee bill would block teachers from appraising other teachers. The amendment would change the minimum personnel required to perform appraisals of a teacher from one administrator and one classroom teacher to "the teacher's supervisor and... and administrator knowledgeable about the applicable subject or grade level."

The committee also would require that appraisals for teachers (and administrators) be detailed by category of professional skill and provide for separate ratings in each category. Discussion aimed at helping the appraised teacher remedy deficiencies would be required, along with written identification of performance areas needed for advancement.

The committee bill would block master teachers from taking part in appraisals of other teachers. It would require the state board to define the duties of master teachers, and would exclude assessment of level-four candidates from the list of possible options.

DIGEST: Appeal of career-ladder assignment. Another committee  
(continued) change deletes the section of the original specifying that local-district decisions on career-ladder assignments are final and cannot be appealed. The amendment would allow teachers to appeal such decisions to the commissioner of education, the State Board of Education, and state courts.

The committee bill also adds that when teachers transfer to jobs in other districts and are being appraised by officials in the new district, only appraisals based on minimum state criteria may be used, and locally developed criteria must not be applied.

SUPPORTERS This bill gives Texas teachers a long-overdue pay raise.  
SAY: It will make teacher salaries more competitive--and that is the crucial first step in educational reform, because low pay has been lowering the quality of applicants for teaching jobs.

The bill would also make needed reforms in the teaching profession. It ties future pay raises to an incentive-based career ladder for teachers. In the past teachers have had to move into administration or into industry for a living wage and a sense of professional growth. Some of the best teachers have been discouraged by a system providing too little incentive for improvement. The career ladder will help keep qualified, experienced teachers in the classroom. At the same time, the career ladder mandates semiannual appraisals and requires teachers to continue their own education. The career ladder will help all teachers improve, and it will reward the best teachers with the highest pay.

The proposed teacher-evaluation process is equitable and workable. Making teachers part of the appraisal team will bring the practitioner's perspective to the process, yielding more reliable results. Other provisions, such as alternative-certification plans to lure qualified professionals into teaching and loans for high-ranking students, will attract the best-qualified people to service in the Texas schools and help to overcome the looming teaching shortage.



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SUPPORTERS  
SAY:  
(continued)

The Select Committee on Public Education showed that the state should concentrate every available dollar on classroom teachers in core teaching areas. The committee bill would grant pay raises to administrators and other district personnel who are already better paid and whose salaries have been rising faster than those of teachers over the last decade.

Allowing teachers to appeal career-ladder assignments would bog the entire system down in costly litigation.

Requiring that teachers pass a written examination is a bad idea--there are some very good teachers who might do poorly on such a test. A teacher's skills show in the classroom, and all requirements for continued employment should take that into account. Taking a punitive attitude to teachers will not help improve education in Texas.

OPPONENTS  
SAY:

The bill doesn't go far enough in reforming teacher pay and certification. A competency examination is also needed as a condition of employment to push marginal teachers to improve and to push the clearly incompetent into other work.

The career-ladder concept is good but continued longevity raises for poor teachers drastically undermine the new incentive system. This is not enough of a reform to justify a tax increase.

Involving teachers in peer review will lead to dissension, favoritism, and damaged morale. Appraisal is a management function that should be performed by administrators.

Allowing local districts to decide how much weight to give state-board-mandated appraisal criteria undermines the intended uniformity of those criteria. This will be a particular problem when teachers transfer from one district to another. If the appraisals are not fair and uniform the whole career ladder could break down, as career ladders have in other states.

Prohibiting appeals of career-ladder assignments is a denial of due process to teachers. No matter how carefully designed, the proposed appraisal process for teachers would still be open to procedural error or bias. Administrators charged with granting appraisals on which raises are based also have to hold down budgets. This is a potential conflict of interest. Teachers should be able to seek redress from the state board or the courts when mistakes are made.

FINANCE

DIGEST:

The bill would eliminate the current school-finance mechanism, which distributes money to districts primarily through a "personnel-unit" salary scheme, and replaces it with a basic entitlement mechanism. The state would give each district a basic allotment of \$1,290 per school year for each student in average daily attendance. To accommodate geographic variations in the cost of providing basic education, the bill would adjust the basic allotment using a "price differential" adjustment formula. A price-differential index would be assigned to each school district. The index value for a given district would take into account differing teacher salaries in contiguous districts and the percentage of the district's students who are educationally disadvantaged.

The basic allotment would be further adjusted for small districts, defined as those with fewer than 3,000 students in average daily attendance. The smaller the district, the higher its adjusted allotment would be under the formula.

In addition to the adjusted basic allotment each school district could receive a special allotment for each full-time student enrolled in a special-education program, a bilingual or special-language program, or a vocational-education program. The adjusted basic allotment for students in these programs would be weighted to reflect the added cost of providing these special educational services. Special-allotment funds would have to be used for the designated programs.

A compensatory-education allotment would also be granted for each educationally disadvantaged student. The average enrollment in the federal school-lunch program would determine a district's number of educationally disadvantaged students. Compensatory-education money would have to be used for remedial and compensatory-education programs.

The bill would create another special allotment for educational improvement and support of the career ladder. The size of the allotment would be determined by multiplying the district's average daily attendance by \$150 for the 1984-85 school year, \$160 for the 1985-86 school year, and \$170 for the 1986-87 school year and each school year thereafter. The Legislature could appropriate more money for this allotment.

DIGEST: Fifty percent of this allotment money would be reserved  
(continued) for career-ladder salary supplements, 25 percent would be used for nonteacher salaries, and 25 percent could be used for any legal purpose. This allotment could not supplement the salary of an employee for directing cocurricular or extracurricular activities.

Under this bill districts whose teacher population had more experience than a statewide average would qualify for an experienced-teacher allotment to help them hire and retain experienced teachers. The formula used to calculate this allotment would compare a district's average minimum teacher's salary required by law to the statewide average teacher's minimum salary required by law. Additionally, the formula weights the allotment in favor of poorer districts. The smaller a district's local obligation under the Foundation School Program, the larger its experienced-teacher allotment would be. A "budget-balanced" district--one whose local fund assignment equaled its Foundation School Program costs--could not receive an experienced-teacher allotment.

Districts would also receive a transportation allotment, the amount of which would be set by appropriation. Transportation-allotment funds could only be used for transportation services.

The bill would also create an enrichment-equalization allotment similar to the current equalization-aid entitlement. School districts whose property wealth per student in average daily attendance is at or below 110 percent of the statewide average would qualify for aid. A district's equalization aid would be limited to 35 percent of its total Foundation School Program allocations. A district's aid under this provisions could be reduced if its tax effort was below standard.

The bill would require the State Board of Education to determine each biennium the real, accountable costs school districts incur in providing accredited education programs and to report its findings to the Legislature. In adopting the amount of the basic, special, and transportation allotments, the Legislature would be required to consider the Board's report.

DIGEST:  
(continued)

Under the bill, the local share of the Foundation School Program would be based on the ratio of a district's property wealth to statewide property wealth. This ratio would be multiplied by a factor of 30 percent of the total state's Foundation School Program costs. This 30 percent represents the aggregate local share of the total Foundation School Program. The total cost of the Foundation School Program under this provision would not include the experienced-teacher allotments or enrichment-equalization allotments.

If the state's share of the Foundation School Program for a given year exceeded the amount appropriated for that year, the Commissioner of Education would reduce each district's allocation proportionately.

HB 72 would eliminate the "hold-harmless" provision of current law, which says that no district's local fund assignment shall exceed 120 percent of its prior year's local fund assignment.

The bill would also eliminate the current "minimum-aid" provision which says that no school district shall receive less state aid than it did for the 1980-81 school year.

School districts that would receive less state aid in the 1984-85 school year than they received in the 1983-84 school year would be eligible for equalization-transition aid if they raised their tax rate by at least 8 percent to offset that loss. Equalization-transition aid would be payable for three consecutive school years, starting with the 1984-85 school year. The state could spend no more than \$50 million the first year, \$25 million for the second year, and \$12.5 million for the third year for this aid. If the amount districts would qualify for under this provision exceeded the amount appropriated for any year, the commissioner of education would reduce each district's grant proportionately.

The State Property Tax Board would be required to conduct an annual instead of a biennial study to determine the total taxable value of the property in each school district.

For funding purposes, the average daily attendance would be determined by the best four weeks of an eight-week attendance period specified by the State Board of Education. Average daily attendance is currently determined by attendance taken for the entire school year.

Committee Version

DIGEST:  
(continued)

The committee bill would eliminate HB 72's basic-entitlement and special-allotment funding mechanism and go back to a personnel-unit funding mechanism. The substitute retains current statutory personnel-unit values but provides for higher salaries.

Each district's local fund assignment would equal the amount of money yielded by applying a tax rate of nine cents per \$100 valuation to a district's taxable property for the prior tax year. Current law sets the tax rate at 11 cents. The Legislature could provide for a different tax rate in the general appropriations act. The committee bill would delete the original bill's requirement that the commissioner reduce each district's annual allocation under the Foundation School Program when the state's share exceeded the amount appropriated. The committee bill would also eliminate the equalization-transition aid established in the original bill.

The maximum amount of equalization aid for which a school district would be eligible would be increased to 50 percent of the statewide average total of Foundation School Program allocations. The tax-effort provision contained in the original bill would be retained.

The committee bill retain HB 72's special allotment for education improvement and support of the career ladder.

The committee bill restores the current statutory minimum-aid provision (see NOTES).

SUPPORTERS  
SAY:

The personnel-unit funding mechanism in the current Foundation School Program is unfair to poor school districts. By treating experienced teachers as the equivalent of novices for the purpose of claiming state funding of teacher salaries, the system gives wealthier districts that have already attracted experienced teachers an advantage. These wealthier districts naturally choose to have the state pay for their highest-salary teachers--using their allotted personnel units to make the "best buy." Thus their personnel units translate into more state funding than the units allocated to poorer districts with less experienced teachers. Since more than 70 percent of Foundation School Program money is spent on salaries, the personnel-unit, best-buy system skews the state's whole school-finance program in favor of wealthier districts.

SUPPORTERS  
SAY:  
(continued)

Doing away with the personnel-unit system would not discourage school districts from hiring more experienced teachers, as opponents have charged. Districts would receive a special allotment under HB 72 to hire experienced teachers. Another educational-improvement allotment would give them money to pay teachers higher salaries. All of the money in the first allotment and all but 25 percent of the money in the second allotment could be spent on teachers' salaries.

The hold-harmless and minimum-aid clauses in the current system also diminish the equalizing effect of the Foundation School Program. These clauses protect school districts with increasing property wealth against any loss of state aid. These provisions cost the state \$35 million in the 1982-83 school year alone. This money could have been used to increase equalization aid to the poorer districts.

Even though some school districts will lose money through the elimination of the hold-harmless clause, this loss will be cushioned by the new equalization-transition aid program. School districts that lose money could be eligible for more than \$87 million through the 1986-87 school year under this program. This aid would let these school districts raise their local tax rates gradually in order to recoup any loss, yet would still be phased out in three years.

Other parts of the bill would also distribute state funds on a more equitable basis. Special allotments would provide additional funds to districts with handicapped, disadvantaged, and non-English-speaking students, many of whom live in poorer districts.

Increasing the local fund assignment would not mean that school districts would automatically have to raise taxes. Through its accountable-costs provision, the bill would expand the Foundation School Program to include many basic educational costs now paid out of local-enrichment funds. Some of what districts now spend in enrichment would simply be considered part of their local fund assignment under HB 72. And the state will be spending more money on education. As a result, even though some districts' local fund assignments would increase, this local share would be part of a larger education-spending pie. Only a small percentage of districts would receive fewer state dollars in 1984-85 than they got in 1983-84 under this bill.

SUPPORTERS  
SAY:  
(continued)

State enrichment aid should not be given to those school districts that do not make a reasonable effort to levy taxes at the local level. The bill would ensure that those school districts that tax their residents at a lower-than-standard rate would have their state enrichment aid reduced proportionately.

Funding should be based on students' average daily attendance and not on the average enrollment figure that opponents prefer. If funding were based on enrollment, school districts would have no incentive to encourage high attendance. Attendance and overall student performance would drop.

This bill would enhance the equalizing effect of the Foundation School Program. Under this bill, the state would have a better chance of defeating a legal challenge to its school-finance system, like the lawsuit that has been filed by the Mexican American Defense and Educational Fund. If the state loses that lawsuit, it would end up having to pay much more money than under this bill.

OPPONENTS  
SAY:

Eliminating the personnel-unit system would discourage school districts from hiring experienced teachers. The current system guarantees the districts that the state will allocate funds for these teachers' salaries. Under the allotment system in the original bill, school districts would be given state aid without regard to the type of teachers hired. Even though the original bill includes an experienced-teacher allotment, it does not require school districts to use this money for experienced teachers. The education-improvement and career-ladder allotment only ensures that 50 percent of that money would be used for teachers' salaries. These two allotments do not adequately protect the teachers of this state.

Everyone is familiar and comfortable with the personnel-unit system. It protects experienced teachers and should not be changed.

By increasing the local fund assignment, the original bill would cause many suburban school districts to raise their local tax rates, even though they already have tax rates at or above the average statewide level. These districts would be burdened even more because they have proportionately few students in special, bilingual, and compensatory-education programs. These districts are also not small enough to qualify for small-school adjustments.

OPPONENTS  
SAY:  
(continued)

The committee bill would maintain a low local fund assignment and would lessen the magnitude of losses suffered by these districts. Since property values as determined by the State Property Board will sharply increase under the board's new biennial report, the nine-cent tax rate would actually increase the local share of the total Foundation School Program spending.

OTHER  
OPPONENTS  
SAY:

The original version of HB 72 does not go far enough. It is a half-hearted attempt at correcting an extremely inequitable school-finance system.

The local fund assignment is not high enough. A state/local split closer to 50/50 would more fairly reflect the current state/local shares of the total spent on public education.

The most inequitable factor in the current system is that the state does not grant funds for building costs. Money generated for this purpose is totally a function of the local tax base. As a result, the richer districts can afford to build modern, comfortable facilities while the poor districts struggle to maintain older, substandard buildings.

Richer school districts have been protected long enough through the hold-harmless and minimum-aid provisions. They should not be protected yet again by \$87 million in equalization-transition aid. This money should be directed to the poorer districts that cannot afford to raise enough local-enrichment funds.

Continuing to base funding on average daily attendance instead of average daily enrollment would punish poor school districts, since they usually have lower attendance in their schools. It would make more sense to base funding on enrollment, because that is what school districts must base their budgets on. School districts must hire enough teachers and buy enough books to accommodate all their enrolled students, whether they show up for class or not. Attendance-based funing simply gives more state aid to the richer districts that do not need it.



OTHER  
OPPONENTS  
SAY:  
(continued)

The weights placed on compensatory-education and bilingual-education programs would still be too low. The weights would only produce about \$100 more for every student in these programs. Moreover, the weight assigned to bilingual-education programs is less than the weight assigned to compensatory programs. Bilingual education should receive the same if not more weight.

In order to equalize the current school-finance system, the Legislature is simply going to have to give more money to the poorer districts than to the richer districts. It would be fiscally impossible to give more money to all districts and still achieve equalization of the Foundation School Program. The poor schoolchildren in this state should not suffer any longer in order to protect the wealthy.

EDUCATIONAL QUALITY

DIGEST: Academic promotion, course credit, and tutorial services.  
The bill would require that public-school students be promoted only on the basis of academic achievement, not by social promotion. A student would have to maintain a grade average of at least 70 on a scale of 100 to advance from one grade to the next, and a grade average of 70 in a course to get credit for the course. The State Board of Education would prescribe alternatives to strict academic promotion for students consistently unable to meet academic requirements, and school districts could offer those alternatives. The school district would notify the parents of students who received unsatisfactory grades and would attempt to set up conferences between the parents and the appropriate teachers.

Students in primary grades could advance one grade on the basis of advanced-placement exams. Students in the sixth grade or above could get credit for a particular subject on the basis of an advanced-placement exam. The exam would be developed and administered by school districts, under guidelines established by the State Board of Education.

Each school district would be required to offer after-school tutorial services. Student attendance at tutorials would be optional.

A student with more than five days of unexcused absence during a semester or more than ten days of unexcused absence during a school year could not receive credit for a class.

Prekindergarten and preschool. The bill would require school districts to offer half-day prekindergarten classes. Four-year-olds identified as having a language or learning disability would be eligible to attend.

Each school district that is required to offer a bilingual-education or special-language program would also have to offer a voluntary, eight-week, half-day, intensive summer program for children of limited English proficiency who will be eligible for admission to kindergarten or the first grade at the beginning of the next school year.

DIGEST:  
(continued)

Class sizes. The bill would require school districts to maintain an average ratio of not less than one teacher for each 20 students in average daily attendance. (Current law specifies a 25-to-one student-teacher ratio.) In addition, individual first- and second-grade classes would have an upper limit of 27 students beginning with the 1985-86 school year, and third- and fourth-grade classes would have an upper limit of 27 beginning with the 1988-89 school year. The commissioner of education could grant temporary, one-semester hardship exceptions.

Extracurricular activities and interscholastic competition. The State Board of Education would, by rule, limit participation in and practice for extracurricular activities during the school day and the school week. A student who received a grade of less than 70 in any academic class during any grade-reporting period would be suspended from extracurricular activities during the subsequent reporting period. The suspensions would not apply during the summer or during the first grade-reporting period of a regular school term.

Local school boards would be required to adopt and strictly enforce a policy limiting interruptions of classes during the school day for nonacademic activities, including limiting nonemergency announcements to one per school day.

The rules and procedures of any organization sanctioning or conducting interscholastic competition would have to be consistent with State Board of Education rules. The board could approve, disapprove, or modify any rules of the University Interscholastic League, which is under the direction of the University of Texas at Austin, or require the UIL to adopt any rule or procedure initiated by the board.

Basic skills and achievement tests. The bill would require "criterion referenced" testing of students in the third grade for minimum basic skills in English and mathematics, in addition to the current testing of fifth-graders and ninth-graders. In the other grades, students would take annual, state-approved "norm referenced achievement tests," measuring their knowledge of particular academic subjects. School districts would be required to report test results, by grade and by campus, to the Texas Education Agency. School districts would be required to provide remedial programs for students whose achievement-test scores fell below a standard set by the State Board of Education.

## DIGEST:

(continued)

Discipline management and parental involvement. Each school district would be required to have an approved "discipline management program," including a student code of conduct setting forth the district's expectations. Discipline management programs would require parental involvement.

Vocational education. The bill would require the State Board of Education to establish rules for vocational education. All vocational-education programs in public schools would require approval of the State Board of Education. The board would review each vocational-education program at least every four years to reestablish its approval status.

The board would give priority for approval to programs identified on an annually updated list of priority occupations. Each school district seeking approval of a new vocational program would be required to do a study to determine whether operating its own program is the most cost-effective approach. All requests for programs would have to include a "plan for articulation" between the proposed programs and those already in existence in the area.

All vocational programs would be required to have competency-based instruction for each student based on guidelines established by the State Board of Education.

Each vocational-education program would need an initial enrollment of 30 students and a program could not be offered if fewer than 20 students were enrolled, except in districts with small populations.

A district would be required to give priority to using employer-based facilities for training students in occupations with rapidly changing technologies.

The State Board of Education would be allowed to provide incentives for school districts to employ industry professionals as part-time instructors.

The State Board of Education would be required to create a master plan that describes the objectives of vocational education in Texas. This plan would be updated on an annual basis to ensure that vocational education programs meet the needs of emerging occupations and address the needs of certain people such as the handicapped, the disadvantaged, and adults.

DIGEST:  
(continued)

The board would be required to consult with state agencies, school districts, and the private sector in developing the plan, and would hold public hearings each year before final plan approval.

Committee Version

The provisions of the committee bill on academic promotion, course credit, and tutorial services are the same as in the original bill.

Prekindergarten and preschool. The committee version would make the offering of prekindergarten classes a local option. To be eligible for enrollment in a pre-kindergarten class, a four-year-old would have to be unable to speak and comprehend English, or be from a poverty-level family and be determined to be "educationally disadvantaged," as defined by eligibility for the free and reduced-price school-lunch program.

As in the original bill, each school district that is required to offer a bilingual-education or special-language program would also have to offer the intensive summer program for preschool children of limited English proficiency.

Class size. The committee bill, like the original, would require school districts to maintain an average ratio of not less than one teacher for each 20 students in average daily attendance. In addition, under the committee bill individual first- and second-grade classes would have an upper limit of 23 students beginning with the 1985-86 school year, and third- and fourth-grade classes would have an upper limit of 23 beginning with the 1988-89 school year. As in the original bill, the commissioner of education could grant hardship exceptions.

Extracurricular activities and interscholastic competition. In the committee bill, a student who received a grade of less than 70 in more than one class during any grade-reporting period, or failed to maintain an overall average of at least 70, would be suspended from extracurricular activities during the subsequent reporting period. A school principal could waive a suspension if the unsatisfactory grade was in an advanced or honors class. Suspensions would apply during the summer, as well as during the first grade-reporting period of a regular school term.

DIGEST:  
(continued)

As in the original bill, local school boards would be required to adopt and strictly enforce a policy of limiting interruptions of classes during the school day for nonacademic activities, including limiting non-emergency announcements to one per school day. After Aug. 1, 1985, the rules and procedures of any organization sanctioning or conducting interscholastic competition, including the University Interscholastic League, would require State Board of Education approval to become effective.

Compulsory school attendance. Under the committee version, children would be required to attend school until they completed the academic year in which their 16th birthday occurs. (Under current law, they must attend until they reach the age of 17.)

Basic skills and achievement tests. Starting in the 11th grade, students would be tested on "secondary exit level assessment instruments designed to assess mathematics and English language arts competencies for pupils at the 12th grade level." A student who after several attempts could not pass all sections of the test by the end of the twelfth grade would receive a "certificate of completion," but not a high-school diploma. Students who failed the test would be offered remedial instruction. Students who received a certificate of completion could retake the test periodically until they passed it and received a diploma.

The committee bill would also require criterion-referenced testing of students in first, third, fifth, seventh, ninth, and 12th grade for minimum basic skills in English and mathematics.

Discipline management and parental involvement. The committee version adds to the original bill the requirement of a hearing, providing procedural due process, before a school board could suspend an incorrigible pupil from school. The hearing would have to show that the pupil's continuing presence posed a clear, present, and continuing danger of physical harm to the pupil or others, or that the pupil had persistently and seriously violated published standards of conduct, posed a continuing serious threat to disrupt the educational process, and that all feasible alternatives, including various discipline-management techniques, had been exhausted. The school board would be required to make

DIGEST: reasonable efforts to provide for the continuing  
(continued) education of a suspended pupil in an alternative  
setting.

The vocational-education provisions of the committee  
bill are the same as in the original.

SUPPORTERS This bill would go a long way toward promoting a higher  
SAY: level of student achievement in our public schools.  
The bill would put an end to the practice of allowing  
students to progress through the school system without  
requiring a satisfactory academic performance, by  
setting a statewide grading standard for course credit  
and academic promotion. To reclaim the school day  
for academic education, statewide rules would limit  
participation in extracurricular activities during the  
school day. Students failing a class would have to drop  
out of extracurricular activities until they brought  
their grades up. These requirements would put extra-  
curricular activities back in proper perspective and  
give students an additional incentive to keep up with  
their course work. Annual achievement tests, administered  
statewide, would provide a measure of how well students  
are mastering their subjects and indicate where remedial  
action is needed.

Educational-research studies reinforce our common-sense  
knowledge that early childhood is a critical time  
for developing the skills and motivation necessary for  
success in the educational system. The bill strengthens  
early-childhood education by requiring prekindergarten  
classes for language- or learning-disabled four-year  
olds, plus preschool programs for children of limited  
English proficiency. School districts must be required  
to offer these classes, because they are just too vital  
to leave to the vagaries of local school-board politics.  
Lowering pupil-teacher ratios in early grades also will enhance  
student performance and future prospects.

When people are asked to list the major problems facing  
the public schools, discipline ranks at or near the top.  
The bill's discipline provisions will upgrade the  
learning environment. In addition, the bill will give  
more support to the schools by requiring parents to  
get more involved.

SUPPORTERS  
SAY:  
(continued)

Vocational education is an essential part of the state's well-balanced curriculum. It teaches marketable skills and allows students who plan to enter vocational trades to "get a foot in the door." Vocational-education programs help keep students in school.

This bill would improve the overall quality of vocational education in Texas and would address some of the criticisms leveled against vocational education. It would require a master plan for vocational education, with specific goals for integrating and coordinating vocational-education programs at the high-school, college, and adult-education levels. The board would ensure that new and emerging occupations become an integral part of the curriculum. Review every four years would ensure relevance and quality of programs. Classes would be offered only when there is a significant demand for them.

OPPONENTS  
SAY:

It is not enough merely to require students to take basic-skills tests and achievement tests more often. We must require, before we grant a high-school diploma, that a student demonstrate a twelfth-grade-level mastery of the basic skills in English and mathematics. Only in this way can we effectively address the most fundamental public concern about the deterioration of our public-school system--that possession of a high-school diploma no longer means a student can read, write, and compute with some proficiency. We should give our students all the remedial instruction and opportunities they need to retake a basic "exit-level" skills test, but in the end they must be able to pass it. To require anything less shortchanges both the students and the taxpayers.

The decision to offer prekindergarten classes for four-year-olds should be made by the school districts. The local school boards are best qualified to judge whether prekindergarten is needed in a particular area.

Where prekindergarten is offered, it should be available to children from low-income families, in addition to those with a language or learning disability. The Head Start program has shown the value of early-childhood educational opportunities for disadvantaged children.



OPPONENTS  
SAY:  
(continued)

Educational research shows that elementary-school classes in the first few grades should ideally have no more than 15 students, to allow adequate one-to-one teacher-student contact. Limiting class sizes in the first four grades to 27, as in the original bill, is not enough. The committee version's limit of 23 would still be too high, but it would come closer to the ideal.

It is too harsh to require that a student who received a failing grade in any class during a single grade-reporting period be suspended from all extracurricular activities. It could do more harm than good in its effect on student motivation. Some extracurricular activities, such as language clubs and student council, are valuable components of the educational experience. Also, the original bill's restrictive policy could deter students from taking more advanced courses, to avoid jeopardizing their freedom to participate in extracurricular activities. The committee version embodies a more balanced policy.

Specifying that a suspension from extracurricular activities could not carry over from the end of the spring semester through the summer and into the beginning of the fall semester, as the original bill does, means that an athlete could fail every course in the spring and still play football in the fall. This provision is weaker than the requirement in UIL rules now and should be deleted.

Students who intend to quit school on reaching the age of 17 without finishing the school year are sometimes a cause of discipline problems. It makes more sense to require attendance in school only until the end of the school year in which the student turns 16.

School-discipline policy must include more effective methods for dealing with incorrigible students. Suspension from school doesn't solve a discipline problem, it simply causes it to go away for a time. When a student is forbidden to attend school, the likelihood of dropping out is increased. Drop-outs are more likely later to get in trouble with the law or wind up on the welfare rolls. A student should be suspended from school only in very serious cases, and only after other discipline management methods have failed. A suspended student should be given an opportunity for continued education

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OPPONENTS        in an alternative setting, for example at a different  
SAY:                school or at a school-community guidance center. It  
(continued)        is not in society's interest for problem students to  
                      discontinue their education altogether.

OTHER  
OPPONENTS        As proposed in the committee bill, the use of a standardized  
SAY:                skills test as a high-school graduation requirement would  
                      discriminate against students who, through no fault of  
                      their own, have been given a poor-quality education so  
                      far. The greatest injustice of this proposed requirement  
                      would be perpetrated against minority students and students  
                      from low-income families, who are disproportionately  
                      likely to have had inadequate educational opportunities.  
                      Denying these students a diploma after 12 years in school,  
                      on the basis of a single test, even after they have  
                      completed all required courses with satisfactory grades,  
                      would only perpetuate the discrimination against them.  
                      The stigma of receiving a certificate of completion,  
                      rather than a diploma, would hinder their future  
                      employment opportunities, causing them unwarranted  
                      economic hardship.

Unsatisfactory test scores should be used diagnostically,  
as symptoms of failure in the school system, and to  
indicate where remedial instruction is needed. But  
they should not be used to penalize the victims of the  
system's failure.

A standardized skills test should only be phased in  
as a graduation requirement after the school system has  
been thoroughly reformed, so that every student has had  
an equal opportunity for twelve years of high-quality,  
equitably financed education from well-qualified  
teachers.

) NOTES:

A proposed floor substitute by Rep. Haley was distributed to House members on June 20. Some changes in this floor substitute are expected before the House convenes today. The discussion below does not reflect such last-minute changes.

Organization and management

The Haley floor substitute proposes a different version of the transition to a smaller, elected State Board of Education. The transitional board would have 15 members, each one appointed from a district encompassing ten contiguous districts of the Texas House of Representatives. All school districts would begin electing their trustees on the same day starting on the first Saturday in April of 1986. On this local school-board election day in 1988, seven of the 15 State Board of Education districts would elect members to replace appointed members of the transitional board. On the first Saturday in April of 1990, the remaining eight seats would be filled by election. (Note that under the original version of HB 72, all 12 board positions would be filled by election in April 1988.)

The floor substitute, in a provision not found in the original HB 72, proposes that local school-board trustees be paid at least \$25 for each board meeting they attend, plus actual and necessary expenses incurred in the performance of their official duties. Under current law, school trustees serve without compensation.

The floor substitute deletes certain other provisions from the original bill. Like the committee version of the bill, the floor substitute deletes the proposed administrative models to encourage local consolidation; it also deletes the "feeder" school requirement for attendance zones. Again like the committee version, the floor substitute deletes authority for the state board to set a uniform statewide school calendar and holiday schedule. But the floor substitute retains the original bill's provision for starting the school year on Sept. 1.

Teachers

The Haley floor substitute would set up a ten-step minimum salary schedule for the 1984-85 school year.

NOTES:  
(continued)

In the 1984-1985 school year, according to the floor substitute, teachers would be assigned to the step on level one that would increase their state-minimum salary at least \$1,700 per year over 1983-84 levels.

In the 1985-86 school year, the following annual state-funded minimum salaries would be instituted:

level one:	\$16,500	level three:	\$19,500
level two:	\$17,500	level four:	\$22,900

Some teachers would be assigned to level two in 1985-86, based on experience, education, and appraisals earned before the effective date of the bill. They would be assigned to the level-two step higher than their last step at level one.

After September 1985, raises in the state minimum salary for teachers would come only through advancement on the career ladder. The floor substitute bill's career-level entry requirements are similar to those in the original HB 72, except that advancement would be allowed for teachers substituting experience for college course work.

The floor substitute would not allow local school districts to determine the weight to be given state appraisal criteria in making career-ladder assignments. It would make career-ladder levels transferable for teachers changing to other districts. Teachers could "waive entitlement" to their career-ladder assignments in such cases.

Finance

On June 17, the House Public Education Committee adopted an amendment specifically eliminating the minimum-aid provision in the Education Code. However, the minimum-aid provision appears intact in the committee substitute in which the committee's amendments were consolidated.

The Haley floor substitute would delete the original HB 72 requirement that a district must raise its effective tax rate by at least 8 percent above the 1983 level before the district could receive equalization-transition aid. As a result of this change, more districts would become eligible to receive this aid. Opponents argue that this would aggravate the inequity of the current funding system.

NOTES:  
(continued)

Educational Quality

The Haley floor substitute retains most of the original bill's provisions regarding academic promotion and course credit, tutorial services, prekindergarten and preschool, class sizes, extracurricular activities and inter-scholastic competition, discipline management and parental involvement, and vocational education. The floor substitute retains three of the changes made by the committee:

- It contains the committee's requirements regarding basic-skills testing, including the requirement that students pass a 12th-grade-level test in English and math skills in order to obtain a high-school diploma.
- It includes the phase-in of an upper limit of 23 students per class in first through fourth grades.
- It appears to retain the provision that four-year-olds from poverty-level families are eligible for prekindergarten classes, although there is an ambiguity in the way the floor substitute is drafted. On page 115, it specifies one set of eligibility requirements (from the original bill) on lines 1 to 4; but starting on line 22 it sets out a different set of eligibility requirements (from the committee bill).